



# FULFORD (INDIA) LIMITED



ANNUAL REPORT 1998



FULFORD (INDIA) LIMITED



## Board of Directors

MR. R. A. SHAH, *Chairman* (Alternate to Mr. A. M. Blanco)  
 MR. R. D. THAPAR  
 MR. D. C. SHROFF (Alternate to Mr. R. Kapur)  
 MR. A. M. BLANCO  
 MR. I. L. PRICE  
 MR. R. KAPUR, *Vice Chairman*  
 MR. K. D. SHAH, *President & Managing Director*  
 MR. K. J. KAUL, (Alternate to Mr. I. L. Price and Whole-time Director)

COMPANY SECRETARY  
 MR. AJAY NAGLE

### FUNCTIONAL HEADS

MR. S. BASU, Vice President — Human Resources  
 MR. K. J. KAUL, Vice President — Technical  
 DR. S. MENON, Sr. Director — Medical  
 MR. M. K. RAJAN, Sr. Director — Marketing & Sales  
 MR. K. VENKATRAMAN, Sr. Commercial Director  
 MR. A. V. SAPRE, Director — Finance  
 MRS. A. CHOUDHURI, Plant Director  
 MR. R. K. RUSTAGI, Director — Corporate Affairs  
 MR. R. CHANDRASEKHAR, Director — Oncology & Biotechnology

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		EIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

### REGISTERED OFFICE

Oxford House, 2nd Floor,  
 Nawroji Ferdonji Road,  
 Apollo Bunder,  
 Mumbai 400 001.

### REGIONAL OFFICES/LOCAL AGENTS

Agra, Ahmedabad, Ambala, Calcutta\*, Chennai\*, Coimbatore, Cuttack,  
 Daman, Delhi\*, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Kanpur,  
 Lucknow, Ludhiana, Mumbai\*, Nagpur, Patna, Raipur, Trivandrum,  
 Varanasi, Vijayawada.

### FACTORY

Suren Road,  
 Andheri (East),  
 Mumbai 400 093.

### BANKERS

STATE BANK OF INDIA  
 CANARA BANK  
 THE HONGKONG AND SHANGHAI BANKING CORPORATION

### LEGAL ADVISORS

CRAWFORD BAYLEY & CO.

### AUDITORS

DELOITTE HASKINS & SELLS

### CREDITORS AND SHARE TRANSFER AGENTS

CONSOLIDATED SHARE SERVICES PVT. LTD.

Shanti Nagar, Cross Road 'A',  
 MIDC, Andheri (East),  
 Mumbai 400 093.

### REQUESTS TO MEMBERS

All correspondence regarding transfer of shares may be addressed to our Registrars and Share Transfer Agents.

Members are requested to bring their copy of the Annual Report to the Meeting.

Members requiring any information about the accounts are requested to write to the Company at least one week before the date of the meeting so that the information may be made available at the meeting.

**FULFORD (INDIA) LIMITED****Notice**

NOTICE is hereby given that the Fifty-first Annual General Meeting of FULFORD (INDIA) LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on Wednesday, the 24th day of March, 1999 at 11.00 a.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT the Balance Sheet as at December 31, 1998 and the Profit & Loss Account for the year ended on that date together with the Auditor's Report thereon and the Directors' Report be and are hereby approved and adopted."

2. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the recommendations of the Board of Directors, a dividend at the rate of 24% on the Equity Share Capital of the Company for the year ended December 31, 1998, be and is hereby declared out of the profits for that year, payable to those members whose names appear on the Company's Register of Members on the 24th day of March, 1999."

3. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT Messrs Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed Auditors of the Company for the financial year ending December 31, 1999 and they shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

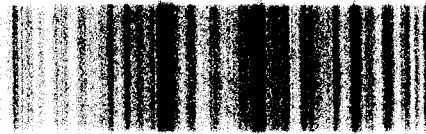
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act) including Schedule XIII of the Act, as amended upto date and subject to the approval of the Central Government, as may be necessary and subject to such other necessary approvals, consent of the Company be and is hereby granted to the appointment of Mr. K. J. Kaul as Wholetime Director (as Alternate Director to Mr. I. L. Price), upon the terms and conditions set out in the Explanatory Statement annexed hereto".

RESOLVED FURTHER THAT in the event of Mr. I. L. Price visiting India, Mr. K. J. Kaul shall vacate his office as alternate Director (and accordingly as wholetime Director) but immediately upon Mr. I. L. Price leaving India, Mr. K. J. Kaul shall stand automatically re-appointed as the alternate Director to Mr. I. L. Price (and wholetime Director) upon the same terms & condition without any further act, deed or thing being done executed or performed either by the Company or the Board of Directors".

"RESOLVED FURTHER THAT consequent upon Mr. K. J. Kaul ceasing to be in the employment of the Company, he shall automatically cease to be a Director of the Company in any capacity whatsoever without any further act, deed or thing being done".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of service of Mr. K. J. Kaul as Wholetime Director of the Company, Mr. K. J. Kaul shall, in respect of such financial year, be paid remuneration by way of salary, dearness allowance, perquisites and any other

FULFORD (INDIA) LIMITED



### Notice (contd.)

allowances as set out in the Explanatory Statement hereto, provided that the total remuneration by way of salary, dearness allowance, perquisites and any other allowances shall be subject to the approval of the Central Government, in so far as it exceeds the ceiling set out in Section 2 of Part II of Schedule XIII to the Act or such other ceiling as may be provided in the said Schedule XIII as may be amended, modified or re-enacted from time to time by the Government of India."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper".

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 (the Act), consent of the Company be and is hereby granted to the Board of Directors of the Company to keep the Register of Members, Index of Members and copies of all Annual Returns prepared under Section 159 of the Act together with copies of the Certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more of them (the documents) at the office of Consolidated Share Services Private Limited (CSS), the Registrars & Share Transfer Agents of the Company, situate at Shanti Nagar, Cross Road 'A', MIDC, Andheri (East), Mumbai 400 093 on and from April 1, 1999, instead of at the office of On-Time Professional Services Pvt. Ltd., 3, R. R. Thakkar Marg, Jai Bhawani Premises, Malabar Hill, Mumbai 400 006.

"RESOLVED FURTHER THAT the said documents be kept open for inspection at the office of CSS at the address as specified hereinabove by the persons entitled thereto, in the manner and on payment of fees if any, specified in the Act, between 10.00 a.m. to 12.00 noon on any working day (other than Saturdays and Sundays) except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in this regard."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) including Schedule XIII of the Act as amended upto date and subject to the approval of the Central Government, as may be necessary and subject to such other necessary approvals, consent of the Company be and is hereby accorded to the increase in the combined limit of contribution that may be paid by the Company to the Provident Fund and Superannuation Fund of Mr. K. D. Shah, President & Managing Director of the Company, in the manner and to the extent set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), the Articles of Association of the Company ("the Articles") be and are hereby amended, altered in the manner and to the extent as set out herein below:



# FULFORD (INDIA) LIMITED



## Notice (Contd.)

A. (i) In Article 2 of the Articles the following interpretations shall be added at appropriate places:

"Beneficial Owner"	"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Depositories Act"	"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.
"Depository"	"Depository" shall mean a Depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Security"	"Security" shall mean a security as specified by the SEBI Board.
"The SEBI Board"	"The SEBI Board" means the "Securities & Exchange Board of India" established under Section 3 of the Securities Exchange Board of India Act, 1992.

(ii) In Article 2 of the Articles, the interpretation of "Member" shall be substituted by the following interpretation:

"Members" shall mean the duly registered holder from time to time of the Shares of the Company and shall include beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

(iii) The following Heading and Article shall be inserted as Article 63A of the Articles, after Article 63:

"Dematerialisation of Securities —  
Company entitled to dematerialise/  
re-materialise its Securities"

63A (1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held with the Depositories and/or offer fresh Securities for subscription in a dematerialised Form pursuant to the Depositories Act, and the rules framed thereunder, if any.

"Securities in Depositories to be in fungible form"

(2) All Securities held by a Depository shall be dematerialised and in the fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

"Distinctive numbers of Securities held by a Depository"

(3) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held by a Depository.

"Transfer and Transmission of Securities"

(4) Notwithstanding anything contained in these Articles, in the case of transfer or transmission of Securities, where the Company has not issued any Certificates and where such Securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

"Voting rights of Depositories and Beneficial Owner"

(5) Notwithstanding anything contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in

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## Notice (continued)

respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits, and be subject to all the liabilities in respect of its securities held by a Depository.

"Beneficial Owner deemed to be absolute Owner"

- (6) Except by an order of a Court of competent jurisdiction or if required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest of any other person in any Security or (except as expressly provided by these Articles) any right in respect of a security other than an absolute right thereto, on the part of any other person whether or not it shall have express or implied notice thereof.

"Service of Documents"

- (7) Notwithstanding anything contained in the Act or these Articles, where Securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company through electronic mode or by delivery of floppies or discs.

"Transfer of Securities"

- (8) Nothing contained in Section 108 of the Act of these Articles shall apply to a transfer of Securities effected by a transferor and transferee, both of whom are entered as Beneficial Owners in the records of a Depository.

- (iv) Article 11 of the Articles shall be substituted by the following Article:

"The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act and the Depositories Act, 1996 with details of Shares held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be the Register and Index of Members holding shares in dematerialised form, for the purposes of the Act.

- (v) In Article 20(a) of the Articles, the following proviso shall be inserted:

"Provided however that no share certificate(s) shall be issued for shares held by a Depository."

- (vi) Article 53 of the Articles shall be substituted by the following Article:

"The Company shall maintain a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in the material form."

- (vii) Article 69 of the Articles shall be substituted by the following Article:

"The Company shall, if at anytime it issues Debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act and the Depositories Act, with details of debentures held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Debenture holders holding Debentures in a dematerialised form for the purpose of the Act. The Company shall

**FULFORD (INDIA) LIMITED****Notice (Contd.)**

have the power to keep in any state or country outside India a Branch Register of Debenture holders resident in that state or country."

**B. Article 87 of the Articles shall be substituted by the following Article:**

"At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered to be taken by the Chairman of the meeting on his own motion or demanded by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution."

**C. Article 161 of the Articles shall be amended by the insertion of the words "or by electronic transfer of funds to the bank account" after the words "cheque or warrants, sent through the post to the registered address" appearing in the first sentence thereof.**

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

By Order of the Board of Directors

**AJAY NAGLE**  
Company Secretary

*Mumbai, February 17, 1999.*

*Registered Office:*

Oxford House, Nawroji Ferdonji Road,  
Apollo Bunder,  
Mumbai 400 001.

**NOTES:** 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from March 19, 1999 to March 24, 1999, both days inclusive.

4. Members are requested to notify any change in their address immediately to the Company or to its Registrars and Share Transfer Agents.



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5. Those members who have so far not encashed their Dividend Warrants for the year ended 31st December, 1995; 31st December, 1996; and 31st December, 1997 may immediately approach the Company with their Dividend Warrants for revalidation.
  6. As required by the provisions of Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, concerned members are informed that an aggregate amount of Rs. 52,272/- representing the balance in the Unpaid Dividend Account of 1994 was transferred to the General Revenue Account of the Central Government during the year.

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# FULFORD (INDIA) LIMITED



## Annexure to Notice

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**

### Item No.4

Mr. K.J. Kaul is a B. Pharm. graduate and has also completed an Administrative Management course from the Jamnalal Bajaj Institute, Mumbai. He has 26 years of rich experience in the pharmaceutical industry. Prior to joining us, he was employed as Vice President-Manufacturing Operations in Nicholas Piramal.

Mr. K.J. Kaul joined the Company's services w.e.f. November 3, 1997 as Vice President - Technical. Since then he is appointed by the Board of Directors as the Alternate Director to Mr. I.L. Price w.e.f. June 15, 1998. Consequent to his being a Wholtime employee of the Company, he was appointed as the Wholtime Director w.e.f. that date. It is now proposed to ratify his appointment as the Wholtime Director of the Company w.e.f. June 15, 1998 on such terms and conditions and on the remuneration as specified below.

The Principal terms of appointment and remuneration are as under:

- A. **Period of appointment:** 5 years from June 15, 1998.
- B. **Nature of Duties:** Mr. K.J. Kaul shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors.
- C. **Terms of remuneration:** Subject to the overall limits of the total managerial remuneration of each year as provided under Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Act, the principle terms of remuneration are as under:
  1. **SALARY:** In the scale of Rs.25,000/- to Rs.75,000/-. Within this scale, the amount of salary and the increments thereon will be decided and approved by the Board of Directors or its Committee from time to time.
  2. **HOUSE RENT ALLOWANCE (H.R.A.):** In the scale of Rs.8,000/- to Rs.30,000/-. Within this scale, the amount of HRA and the increments thereon will be decided and approved by the Board of Directors or its Committee from time to time.
  3. **CITY ALLOWANCE (C.A.):** In the scale of Rs.6,000/- to Rs.25,000/-. Within this scale, the amount of C.A. and the increments thereon will be decided and approved by the Board of Directors or its Committee.
  4. **COMMISSION:** Commission not exceeding the annual salary of Mr. K.J. Kaul, as approved by the Board of Directors or its Committee for each year.

Provided however that, in the event of earlier cessation or termination of his appointment, commission will be payable to Mr. K.J. Kaul on a pro-rata basis.

### 5. ALLOWANCES AND PERQUISITES:

- a. In addition to the above remuneration, Mr. K.J. Kaul shall also be entitled to allowances and perquisites like furnished accommodation including gas, electricity and water, medical reimbursement and leave travel concessions for self and family, club fees, medical insurance etc. as may be approved by the Board of Directors or its Committee for each year.

Mr. K.J. Kaul shall be entitled to a Company car for official duties and a telephone at his residence. Payment of bills by the Company for use of the Company car for official purposes & payment of telephone bills in respect of local calls & long distance official calls shall not be included in the computation of allowances and perquisites.

- b. Company's contribution to Provident Fund and Superannuation Fund not exceeding 27% of the remuneration or any further limit of remuneration as may be notified from time to time as exempt from tax in the hands of the Company under the Income Tax Rules. Leave encashment as per the rules of the Company.
- c. Gratuity as per the rules of the Company.
6. **SITTING FEES:** The Wholtime Director shall not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
7. **TERMINATION:** By three months notice on EITHER side.